

975
11/12/73

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

COUNTRY PROFILE

S O M A L I A

Prepared by G. Savage

007175

Ottawa

November 1973

ARCHIV
Savage
no. 15

S O M A L I A

HISTORY

The history of Somalia can be traced to the Persian and Indian civilizations. In more recent times, Somalia played a significant role in the religious wars between Moslems and Christians in the sixteenth century. This tradition of religious conflict is still a significant factor today in Somalian politics. The present republic was formed on the 1st of July, 1960, by the merger of the former British Somaliland Protectorate with the United Nations Trust Territory of Somalia, a former Italian colony. In 1886, when Britain assumed control of the Northern Regions, the British objective was principally to safeguard the trade route with the British Colony of Aden. With this objective in mind, Italy was encouraged to establish a colony in the southern region of Somalia in 1890 primarily to block French expansion in the Home of Africa. By 1935 Italian Somalia and Eritrea became a strategic base for the eventual Italian conquest of Ethiopia in 1936. Following the defeat of the Italians in East Africa in the Second World War, both territories Eritrea and Italian Somaliland were placed under British Military Administration. Under British rule, education and other progressive measures were encouraged. From 1945 there was a distinct development of Somali nationalism, for example, the growth of the Somali Youth Movement, one of the most influential of political movements and eventually the spearhead of Somali agitation for independence. Somali became an independant state on July 1st, 1960.

AREA AND POPULATION

Population mid-1972 - 3,000,000

637,600 Square Kilometers

Annual rate of growth - 2.2%.

MAIN CITIES

Mogadiscio	- Capital	- 200,000
Hargeisa		80,000
Kisimayu		30,000
Berbera		20,000
Merca		62,000
Margherita		20,000
Bosas		6,500

CONSTITUTION AND GOVERNMENT

The constitution of the Somalia Republic was established under the Joint British and U.N. Trusteeship administration in 1960 and was adopted by an act of union and approved in a national referendum in June, 1961. However, the Somali Armed Forces in a bloodless coup took control of the country from the civilian government on the 21st October, 1969. The Parliament was dissolved; the constitution suspended and the Supreme Court dissolved. A Supreme Revolutionary Council was formed which took over the responsibility of the legislature, executive and judiciary. Fourteen civilian secretaries of state responsible for Government ministries were appointed by the Revolutionary Council, and the Supreme Court was re-established with new judges appointed by the Revolutionary Council in 1970.

Head of State: President of The Supreme Revolutionary Council:
Major-General Muhammad Siad Barre

Supreme Revolutionary Council

President: Major-General Muhammad Siad Barre
22 Council Members - all Army Officers

Secretary of State

Interior: Hussein Kulmie

Defence: Muhammad Samatur

Education: Major A. A. Abucar

Information and National Guidance: Ismail A. Abokor

Health: Dr. Muhammad Adan

Agriculture: Mohamed Hassan

Minerals: M. Burraleb

State Planning: A. M. Mohamoud

Finance: M. Y. Weyrah

Foreign Affairs: Omar A. Ghalib

Public Works: Colonel M. Sh. Osman

Rural Development and Livestock: Siad Ibrahim

Justice and Religion: S. A. Shayku Ahmad

Labour and Sport: Lt. Colonel M. Rabilleh

Industry: Dr. I. Megag Samatur

Commerce: Dr. M. Warsame

Post, Telegraphs and Telephones: Lt. Colonel A. M. Farah

Transport: Dr. A. N. Hersi

LOCAL GOVERNMENT

For local government purposes, Somalia is divided into eight regions, each administered by a Regional Minister.

LANGUAGE

The national language is Arabic. Arabic, English and Italian are the official languages of the government.

RELIGION

The population is entirely Sunni Moslems. There are a few Christians, mainly in the capital.

NATIONAL ASSEMBLY

The National Assembly was dissolved when the Civilian Government was overthrown on October 21st, 1969.

DEFENCE

Of a total armed force of 15,000, Army personnel - 13,000, officers and men; Navy - 250, and the Air Force - 1,750. In addition, there are 500 para-military Border Guards. Military service is voluntary in Somalia.

JUDICIARY

The judiciary is independent of the executive and legislative authority. "Laws and Acts having the force of law must conform to the conditions of the constitution and to the general principles of Islamic law".

Supreme Revolutionary Court is the highest judicial authority and hears appeals in all civil, criminal and administrative cases.

National Security Court was established following the 1969 Coup d'etat to try members of the former civilian government. The National Security Court was set up by the Supreme Revolutionary Council in April 1970.

Military Supreme Court was established in 1970 to try members of the Armed Forces.

Courts of Appeal - there are Courts of Appeal in Mogadiscio and Hargeisa.

Regional Courts - there are regional courts in each of the Regions and they have jurisdiction in all cases from the Districts and Kadi Courts.

District Courts - there are forty-eight district courts and these have jurisdiction dealing mainly with Moslem and native customary laws.

Kadi Courts - these are civil courts mainly concerned with Moslem law.

INFORMATION

The Press

Carriere della Somalia

Arabic and Italian daily

Bolletino Mensile della Camera di
Commercio, Industria ed Agricoltura
della Somalia

Italian Monthly

Najmat - Somali

Arabic Daily

Dawn

Arabic weekly

New Era

English, Italian and Arabic
Quarterly

Radio

National broadcasting service, Radio Mogadiscio is owned and operated by the Government and broadcasts in Somalia, English, Italian, Arabic, Amaric and Swahili.

BANKING

The currency is the Somalo or Somali shilling, divided into 100 cents. The currency is issued in notes of 1, 5, 10, 20 and 100 shillings, and coins of 1, 5, 10, 50 and 1 shilling. The Central Bank is the Banca Nazionale Somalia -- the central bank responsible for the issuing of bank notes and coins and international financial transactions.

Other Bank

Somalia Credit Bank

TABLE I INTERNATIONAL LIQUIDITY (Millions of US Dollars)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
National Bank Reserves	6.8	13.4	21.1	26.1	31.3
SDRs	-	-	.6	2.8	5.0
Reserve Position in the Fund	-	1.0	3.7	4.1	4.2
Foreign Exchange	6.7	12.4	16.8	19.1	22.2
Fund Position					
Credit Tranche Position: Stand-by	5.3	5.0	4.0	-	-
Credit Tranche Position: Other	9.7	10.0	15.0	20.6	20.6
Drawings Outstanding	2.8	1.9	-	-	-
Use of Fund Credit	-	-	-	-	-

Source: International Financial Statistics, Volume XXVI, Number 9, September 1973

Foreign Banks

All foreign banks in Somalia were nationalized under an order of the Supreme Revolutionary Council on May 7th, 1970. They have now become agencies of the Somali National Bank. The banks then operating in Somalia were Banco di Napoli, Banco di Roma, Banque de Porte Saide and National Grindley's Bank.

Exchange Rate - One Somali Shilling equals \$1 U.S. Dollar.

TABLE II COMMERCIAL BANKS (Millions of Somali Shillings)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Reserves	14.9	13.9	19.9	3.18	55.3
Foreign Assets	7.3	7.5	.5	48.5	91.6
Claims on Private Sector	110.4	88.3	88.9	253.6	315.1
Demand Deposits	86.0	68.8	65.4	154.5	205.5
Time and Savings Deposits	32.1	30.7	31.3	57.9	77.0
Foreign Liabilities	5.4	6.2	1.0	5.4	9.3
Government Deposits	6.0	-	-	-	-
Credit from National Bank	-	-	-	53.7	113.9
Capital Accounts	10.0	4.0	2.2	14.2	14.5
Other Items (Net)	-7.0	-	9.4	48.0	41.7

Source: International Financial Statistics, Volume XXVI, Number 9, September 1973

EDUCATION

There were in 1971, 34,123 pupils in Elementary schools, 16,666 pupils in intermediate schools and 6,683 pupils in Secondary schools.

UNIVERSITY

National University of Somàlia was founded in 1954 and became the National University in 1971.

Student numbers 1970/71 - 791 undergraduates.

National Teachers Educational Centre
Mogadishu

COLLEGES

School of Islamic Studies
Ecole Industrielle
School of Public Health
School of Seamanship and Fishing
Technical College, Burgo
Veterinary College
Director: Dr. J. Neilson

RESEARCH INSTITUTES

Geological Survey Department, Ministry of Industry
and Commerce, Post Office Box 744, Mogadishu

Chief Geologist: Dr. A. I. Katskow

Institute for the Preparation of Serums and Vaccines
Mogadishu

Laboratory of Hygiene and Prophylaxy
Mogadishu

Society of Medicine and Tropical Hygiene
Mogadishu

THE ECONOMY

Since the revolutionary military government came to power on October 21, 1969, there has been considerable changes in the structure of the economy. In economic terms, "the introduction of socialism has meant that the state farms have become the vanguard of the agricultural drive while most of the trading sector has been taken over by the state trading corporation". In 1971, for the first time, the budget was balanced. Somalia is now in a position to meet her current expenditure, but she still relies on foreign aid to cover most of her Development expenditure. By the end of 1970, the military government had nationalized all foreign banks, oil companies, and the most important commercial companies. The government is committed to achieving "self-sufficiency" in agriculture and there is increasing concentration in self-help programs and a crash program to rapidly increase the production of foodstuffs. In practice this means that Somali Shillings 32 Million will be invested in the 12 state farms. Somalia still imports vast amounts of foodstuffs which could be grown locally. After the drought years of 1970 and 1971, it was necessary for the state corporation to build its grain stock. In 1971, import of grain reached Som. Sh. 104 Million, but there was a slight drop in 1972. A further Som. Sh. 15 Million was spent on fruit and vegetables.

TABLE III NATIONAL BANK
(Millions of Somali Shillings)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Foreign Assets	76.7	135.8	186.6	183.2	264.1
Claims on Government	62.2	64.2	66.4	57.8	42.6
Claims on Official Entities	1.6	3.1	36.9	43.8	38.0
Claims on Private Sector	101.8	145.6	124.8	-	-
Claims on Commercial Banks	-	-	-	57.0	114.5
Reserve Money	177.5	224.9	267.7	207.2	290.0
of which: Currency Outside Banks	129.0	142.3	150.0	146.9	221.2
Private Sector Deposits	29.4	68.5	98.8	28.6	13.8
Time and Savings Deposits	13.1	17.0	18.9	3.9	.3
Foreign Liabilities	43.0	85.6	76.7	60.1	45.3
Government Deposits	1.4	5.5	12.8	30.0	67.4
Capital Accounts	11.7	15.9	35.4	46.9	66.4
Other Items (Net)	-4.7	-.3	3.2	-6.2	-10.2

Source: International Financial Statistics, Volume XXVI, Number 9,
September 1973

BALANCE OF TRADE

According to the Somalia National Bank, the balance of payments showed considerable improvement in 1972 compared with 1971. Imports increased by 26% and exports by 45% from Som. Sh. 272 Million to Som. Sh. 394 Million, reducing the trade deficit to Som. Sh. 109 Million. This deficit on the trade account was made good by a surplus Son. Sh. 136 Million in the form of grants and loans from foreign sources. Exports increased dramatically in the second half of 1972 mainly due to the high volume and value of "live animals" exported largely to Saudi Arabia. There were dramatic increases in the exports of bananas and meat.

Imports increased sharply in 1972, mainly in capital goods, i.e., farm machinery and transport equipment. However, imports of foodstuffs now under strict government control decreased considerably.

There was a deficit in the balance of payments of Som. Sh. 4.1 Million in 1971 and Som. Sh. 28 Million in 1972. Foreign exchange reserves were Som. Sh. 264.1 Million in December 1972, an increase of Som. Sh. 81 Million since December 1971.

TABLE IV INTERNATIONAL TRADE
(Millions of Somali Shillings)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Exports	212.0	231.9	224.3	246.2	.....
Live Animals	124.4	132.0	119.3	122.8	.....
Bananas	59.7	55.9	62.5	63.9	.....
Hides and Skins	11.7	17.1	14.8	18.3	.....
Imports, cif	339.8	369.8	322.2	446.9	.....
Imports, fob	288.0	313.4	273.0	378.8	.....
Balance of Payments					
Goods and Services	-22.8	-24.1	-18.6	-18.4	-19.8
Trade Balance cif	-16.6	-21.6	-13.7	-17.7	-15.6
Travel	-2.8	-.3	-1.0	-2.2	-2.4
Government Services	.1	.....	.6	3.3	4.6
Other	1.4	-.5	-.4	-3.0	.....
Transfers: Private	.5	.7	.7	2.1	10.2
Central Government	19.1	10.2	12.2	17.1	10.2
Commercial Banks: Assets	.....	.....	1.0	-6.7	-5.9
Liabilities	.....	.....	-.7	.6	.5
Allocation of SDR's	.....	.....	2.5	2.0	2.2
Monetary Authorities	-3.3	-6.3	-8.3	-1.9	-12.9
Monetary Gold	.....	.7	.7	.....	.....
SDR Holdings	.....	.....	-.6	-2.0	-2.7
IMF General Account	-7.7	-.9	-2.7	-.1	-.1
Payments Agreements (Net)	1.4	-.5	-.4	-3.0	.....
Other Assets (Net)	3.0	-4.2	-5.3	3.2	-10.7

Source: International Financial Statistics, Volume XXVI, Number 9, September 1973

AGRICULTURE

Bananas

Bananas provide the second major source of foreign exchange for Somalia accounting in 1972 for 25% of exports estimated at Som. Sh. 85 Million. The National Banana Board set up in 1970 has sought new markets in the Middle East, although Italy still takes 75% of the crop. Under a new agreement, Iran will take at least 25,000 tons this year.

Livestock

Livestock remains the most important export. In 1972, 70% of foreign exchange earnings came from this source and associated products. A Livestock Development Agency has been set up which has been making good profits. There are plans to establish an extensive complex of modern feed lots in Juba with World Bank assistance. "Cattle will be bought from the Nomads, and then will be kept on irrigated pastures and given intensive feeding and care so that they achieve good quality for export". Proper slaughter houses are being established in Mogadishu and Hargeisa so that the move can be made into the highly profitable frozen meat market. At present, most Somalia meat not exported live is processed at the Kisimaio meat factory.

INDUSTRY

Government policy is now concentrated on expanding "agro-industries" such as fish, meat and textiles. The objective is to "use the maximum amount of materials, and get established factories working to full capacity". In the past year, targets have been achieved in food canning, flour milling and sugar production. Projects in the pipeline include a pasta factory and edible oil mills.

In fishing the objectives are to up-grade the operations of small fishermen and get into large scale fishing. An agreement with the Soviet Union on a joint Somalia/Soviet fishing operation came into effect in January this year under which The Soviet Union provided four deep-sea trawlers and equipment. Lobster and shrimps are already proving highly profitable.

DEVELOPMENT PROGRAM

The Ministry of Planning's report on the progress of the Development Program 1971-1973 shows expenditure of Som. Sh. 916 Million of which Som. Sh. 653 Million is being financed from foreign sources and Som. Sh. 263 Million from domestic sources, however, the report shows that only 48.9% of expenditure planned had actually been spent for the years 1971-1972. Of all the major sectors, only tourism had exceeded the planned figure although livestock, water resources, mining and labour had come near to their planned target. The reasons given are the lack of trained administrative personnel, shortage of skilled labour and delays in receiving foreign loans and aid. As a result, the government has had to provide more funds for development from local resources than originally planned. In the first two years of the development program that is, 1971 and 1972, it produced 38% from government sources against a planned figure of 29%.

EXTERNAL AID

The Soviet Union, China and the European Economic Community are the main aid donors to Somalia. In 1972, work started on the Fanole irrigation scheme in the Juba valley financed by a loan of Som. Sh. 120 Million from the Soviet Union.

China has successfully completed the installation of Hargeisa water supplies and have started on the vast 1,045 kilometer road from Beled, to Burao. The most important project in 1973 so far is the plan to build a new deep water port at Mogadishu at a cost of Som. Sh. 179 Million. The finance for this work is being provided by the International Development Association and the European Development Fund.

The Somali and Soviet Governments signed an agreement under which the USSR will build 33 oil storage tanks. 15 will be built in Berbera, 10 in Kisimayo and 8 in Mogadishu.

The Somali and the Democratic Republic of Germany signed an agreement under which East Germany will buy 10,000 tons of bananas estimated at Som. Sh. 8 Million.

A protocol was signed in Moscow on a further development of Soviet-Somali economic and technical cooperation. The USSR will provide aid in re-claiming lands in the Juba Valley, the construction of a hydro-electric power station and a 50 kilometer irrigation canal which will make it possible to achieve a considerable increase in agricultural production in the area. A program of cooperation in the fishery industry was also outlined, as were the re-construction of radio stations in Mogadishu and Hargeisa, the expansion of cold storage facilities of the meat packing plant in Kisimayu and several other projects.

The Soviet Government has been awarded a contract for the exploration of minerals in a 3,000 kilometer area north of Hargeisa. The agreement specifies that the Soviet Union will provide cost of the mineral development project and also for further exploration and exploitation of minerals in Somalia.

A \$12-Million U.S. dollar investment aimed at increasing Somalia's livestock production by 20% has been signed with the World Bank.

A new road program is being carried out by the Government of Somalia. Most important is the Beled-Burao road, probably the second largest Chinese project in Africa after the Tanzam railway. This will link the south of Somalia with the north for the first time and pass through all the main regional centres in the country. Another important project is Phase II program which is to connect Berbera, on the Gulf of Aden to the northern capital of Hargeisa. Another big road project is the Som. Sh. 75 Million highway spanning 160 kilometers between Berbera and Hargeisa. This has been financed with a \$9.7 Million from the International Development Association and a \$1 Million from the African Development Bank.

Part of the recently approved loan is to be used for financing study and detailed engineering for another road linking Hargeisa with Borana. The roads already completed are all in the south of Somalia. They include the 114 kilometers highway linking Kisimayo to Gelib. Built with the assistance from West Germany, the Afgoi-Bioda road financed by \$8.5 Million World Bank loan, and the Italians financed the 100 kilometers highway from Afgoi to Merca.